

State of Alaska FY2008 Governor's Operating Budget

**Department of Administration
Office of the Commissioner
Component Budget Summary**

Component: Office of the Commissioner

Contribution to Department's Mission

Manage divisions to ensure policy objectives and department goals are met.

Core Services

Policy direction

- Liaison with the Governor's Office and the Legislature
- Coordination among divisions
- Final administrative decisions on statewide procurement appeals
- Chief advocate for staff and programs
- Establish departmental policies
- Supervise division managers

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$3,896,500

Personnel:

Full time	7
Part time	0
Total	7

Key Component Challenges

The Department of Administration will face many challenges including:

Division of Finance:

Managed travel – Better management of travel expenditures has been a goal of the Department of Administration for several years. The state travel office was established within the Division of Finance to reach that goal. The initiative includes several aspects to improve efficiency and cut costs: automation of the travel request and approval process; policy development and enforcement; negotiations with key vendors for reduced prices based on volume; and the ability to report travel data. Some of these management goals may not be readily acceptable to state travelers who historically have been able to make their own arrangements. The challenge is to meet their customer service expectations while taking management control of the travel process.

Enterprise Technology Services (ETS):

The business needs of State agencies will continue to define ETS' core services, priorities and staffing.

ETS will continue to manage its partnerships with private enterprise to provide telecommunications services to state agencies. These partnerships must provide telecommunications infrastructure and support that is cost effective and able to quickly respond to changing technology and market conditions. The existing Core Services contract with GCI expires on June 17, 2007 and must be rebid.

Commitment to the "enterprise" methodology will drive future projects for ETS such as Voice Over Internet Protocol (VoIP) phones that will replace the legacy PBX supported phone base; a single vendor for network operating systems and email (Microsoft); support for the Alaska Land Mobile Radio project; and implementation of the Network Security Initiatives. In addition ETS will continue to provide ongoing support to all agency production systems that depend on ETS' infrastructure.

Division of Personnel:

Enterprise Human Resource Function: Continued efforts to streamline human resource processes and to ensure that all personnel and pay practices are consistent with statute, regulation and contracts across the 14 operating agencies of the executive branch. Efforts for FY2008 will focus on technological solutions to create additional efficiencies in process and to further reduce administrative costs, and on strategic workforce planning initiatives. Efforts begun in FY2007 must be completed in order to meet all the objectives on schedule in FY2008.

Equal Employment Opportunity Program: In FY2008 the Division will continue to work toward further reductions in employment related human rights liabilities and ensure that operating agencies are in compliance with federal reporting requirements for Affirmative Action plans and for the Title VI federal grant related civil rights obligations.

Division of Motor Vehicles:

Electronic tools and partnerships are key to DMV customer service improvements. We are working hard to develop additional process automation, including interfaces with other state and federal systems. We are also working hard to develop more partnerships with the private sector as we believe partner growth will be the key now and in future fiscal years. Through a measured approach in development, training, and adequate oversight of new partners we can ensure protection of property and enhance highway safety while maintaining public accountability.

Upcoming federal identification compliance issues will be a key challenge for DMV for the next two years.

Public Defender and Public Advocate:

Due to the difficulty in accurately projecting case types and costs for upcoming budget years, Office of Public Advocacy (OPA) and Public Defender (PD) workload and caseload increases have historically been funded through supplemental appropriations. The difficulty in projecting OPA's budget needs has recently been somewhat exacerbated because a number of cost saving initiatives have been implemented and it is difficult to predict with certainty the budgetary impact. The PD is planning to deploy a new case management system that will provide management tools to better project workload and caseload increases.

The challenge for both agencies is to continue to provide necessary services while taking all steps and measures available to contain cost increases.

Significant Changes in Results to be Delivered in FY2008

The Commissioner's Office of the Department of Administration has driven improvements in the way the state manages its human resources and information technology as well as initiating changes in the management of state travel. The department is striving to improve efficiency in all areas of state government and will continue to work to that end.

Major Component Accomplishments in 2006

Agencies within the Department of Administration have made numerous accomplishments over the course of 2006. Several of the major ones include:

Division of Retirement and Benefits

Successfully transitioned to a new third-party health claims administrator.

Implemented participant investment advice/managed accounts options for all defined contribution plans for both new and existing participants.

Successfully bid and procured actuarial services resulting in new actuary.

Successfully bid and procured recordkeeping services for all defined contribution plans.

Division of Finance

The Division of Finance received the Certificate of Excellence for Achievement in Financial Reporting from the Government Finance Officer Association. This award is the highest form of recognition in government accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The division received its third consecutive award on the FY 2005 Comprehensive Annual Financial Report.

The Division of Finance, through its management of the State Travel Office, Implemented state travel office services for portions of all executive branch agencies. Continuing to expand services to remaining departments. Calculated savings

for FY 2006 is \$91,915.

Created hotel program in April 2006 for four cities: Anchorage, Fairbanks, Juneau, and Seattle. Calculated savings over government rate for the fourth quarter is \$12,473.

Continued travel services to Medicaid clients which began January 1, 2005. Calculated savings for FY 2006 is \$1,182,527.

Division of Personnel

Assured the consistent application of classification standards across all 14 operating agencies. As of October, 2006 staff had conducted 19 classification studies impacting 64 job classes and 804 positions, conducted maintenance requests on an additional 39 job classes and allocated approximately an additional 1546 individual position.

Implemented a web based position description system that allows for the online creation, approval, and processing of position descriptions. The system also has the ability to archive and retrieve documents as well as enhanced reporting capabilities. The system was piloted by three agencies beginning January 1, 2006, with full implementation effective June 1, 2006.

Completed Personnel Rules (2 AAC 07) revision project.

Continued to populate the Personnel Section of the Alaska Administrative Manual.

Developed and implemented the Retire Rehire Policy to ensure compliance with House Bill 161.

Developed and implemented a statewide employee recognition program.

Enterprise Technology Services

- Began replacement of a failing legacy PBX telephone environment. Phase I of the Telephone Replacement Project will build out a new core for VoIP in Anchorage, Juneau and Fairbanks, deploy approximately 4,000 Cisco VoIP in 20 sites in Anchorage, as well as migrate approximately 9,000 Meridian Voicemail boxes to the Cisco Unity Platform by 12/31/06.
- Began the Enterprise Email, Calendaring, and Active Directory (AD) project to migrate all Executive Branch state employees to Microsoft Exchange during FY07. Negotiated an Enterprise Agreement with Microsoft to enable deployment of a Microsoft network operating system (NOS) and email system. Successfully completed the build out of 46 land mobile radio sites in 2005 and an additional 32 in 2006.
- Increased the number of users on the system from 3000 in 2005 to 10,000 and added the Northern zone to the ALMR system.
- Upgraded the SATS microwave network on the Kenai Peninsula from analog to digital.
- Banking Web Services, Electronic Funds Transfer, and Credit Card transactions have doubled in the last year and continue to see a steady growth. New clients are embracing this technology as fast as eCommerce sites are being deployed.
- Successfully managed statewide Information Technology Plan for all departments in the Executive Branch and preparing an ETS IT Plan for FY08.
- Continued to improve virus protection on statewide email system to add protection against unsolicited bulk email (SPAM).
- Continuing to complete the Network Security Initiative projects that address issues identified in the US CERT report on network security deficiencies in the State of Alaska Wide Area Network. Over \$5 million in secure network routers were procured and 75% have been deployed across Alaska. All but three departments have made progress implementing the Cisco Security Agent (CSA) software on their desktops and servers – 60-70% are complete. The DMZ environments have been built in Juneau and Anchorage with plans to move all public facing servers behind these secure environments.
- Provided telephone upgrades for State agencies included three additional sites with 120 staff migrated to the legacy VoIP system, 25 new small phone systems, and data & phones for 30 office moves.
- Reduced number of WAN network and phone outages, reduced duration per outage and improved response times for service.

Statutory and Regulatory Authority

See component pages.

Contact Information
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Office of the Commissioner Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	654.9	706.2	809.0
72000 Travel	42.6	8.5	8.5
73000 Services	47.1	71.1	3,062.8
74000 Commodities	29.4	16.2	16.2
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	774.0	802.0	3,896.5
Funding Sources:			
1002 Federal Receipts	0.0	0.0	0.0
1004 General Fund Receipts	276.9	290.2	3,320.6
1007 Inter-Agency Receipts	497.1	511.8	575.9
1017 Benefits Systems Receipts	0.0	0.0	0.0
1021 Agricultural Loan Fund	0.0	0.0	0.0
1023 FICA Administration Fund Account	0.0	0.0	0.0
1027 International Airport Revenue Fund	0.0	0.0	0.0
1029 Public Employees Retirement System Fund	0.0	0.0	0.0
1031 Second Injury Fund Reserve Account	0.0	0.0	0.0
1032 Fishermen's Fund	0.0	0.0	0.0
1034 Teachers Retirement System Fund	0.0	0.0	0.0
1036 Commercial Fishing Loan Fund	0.0	0.0	0.0
1040 Real Estate Surety Fund	0.0	0.0	0.0
1045 National Guard & Naval Militia Retirement System	0.0	0.0	0.0
1050 Permanent Fund Dividend Fund	0.0	0.0	0.0
1061 Capital Improvement Project Receipts	0.0	0.0	0.0
1070 Fisheries Enhancement Revolving Loan Fund	0.0	0.0	0.0
1092 Mental Health Trust Authority Authorized Receipts	0.0	0.0	0.0
1101 Alaska Aerospace Development Corporation Receipts	0.0	0.0	0.0
1102 Alaska Industrial Development & Export Authority Receipts	0.0	0.0	0.0
1105 Alaska Permanent Fund Corporation Receipts	0.0	0.0	0.0
1106 Alaska Post-Secondary Education Commission Receipts	0.0	0.0	0.0
1108 Statutory Designated Program Receipts	0.0	0.0	0.0
1141 RCA Receipts	0.0	0.0	0.0
1153 State Land Disposal Income Fund	0.0	0.0	0.0
1155 Timber Sale Receipts	0.0	0.0	0.0
1156 Receipt Supported Services	0.0	0.0	0.0
1157 Workers Safety and Compensation Administration Account	0.0	0.0	0.0
1162 Alaska Oil & Gas Conservation Commission Rcpts	0.0	0.0	0.0

**Office of the Commissioner
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
1172 Building Safety Account	0.0	0.0	0.0
1175 Business License and Corporation Filing Fees and Taxes	0.0	0.0	0.0
Funding Totals	774.0	802.0	3,896.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Interagency Receipts	51015	497.1	511.8	575.9
Restricted Total		497.1	511.8	575.9
Total Estimated Revenues		497.1	511.8	575.9

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	290.2	0.0	511.8	802.0
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.4	0.0	0.6	1.0
Proposed budget increases:				
-Software Maintenance and Support Costs	423.9	0.0	0.0	423.9
-Public Building Fund Cost Increases	740.1	0.0	0.0	740.1
-Retirement and Non-covered Health Insurance Increases for ETS	1,827.7	0.0	0.0	1,827.7
-FY 08 Retirement Systems Rate Increases	38.3	0.0	63.5	101.8
FY2008 Governor	3,320.6	0.0	575.9	3,896.5

**Office of the Commissioner
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	7	7	Annual Salaries	545,211
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	378,605
			<i>Less 12.43% Vacancy Factor</i>	(114,816)
			Lump Sum Premium Pay	0
Totals	7	7	Total Personal Services	809,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Commissioner	0	0	1	0	1
Dep Commissioner	0	0	2	0	2
Exec Secretary III	0	0	1	0	1
Spec Asst To The Comm I	0	0	1	0	1
Spec Asst To The Comm II	0	0	1	0	1
Totals	0	0	7	0	7